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National Intelligence Bulletin

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PORTUGAL

Tension remains high in Portugal, where political and military factions in Lisbon are becoming increasingly polarized.

The mobilization by Socialists Wednesday night to head off an alleged coup attempt from the far left has become the subject for bitter recriminations. Both the Socialists and the Popular Democrats asked their supporters Wednesday to be prepared to resist expected moves by the left wing. Socialist leaders say they have evidence that extreme left-wing political groups, in league with several military units in and around Lisbon, were planning a coup for yesterday morning.

The Communist Party is accusing the Socialists of aggravating tension in the country and of preparing for a counterrevolutionary action of their own. A pro-Communist newspaper warned on Wednesday of a "colonel's plan" designed to reverse the course of the revolution and to restore a right-wing government in Portugal. Several of the goals said to be in the plan have already been enacted by the Azevedo government.

The far left, however, has denied that it planned a coup, saying coups were for right-wing organizations like the Socialist Party. Many of the extremist groups have armed militias aided by like-minded soldiers.

The split between the anti-Communist parties and the far left wing is mirrored in the military, where the Lisbon radicals are becoming more and more isolated from troops in the rest of the country. General Carvalho's left-wing internal security command—many of whose troops refused to obey orders during the occupation of the radio and television stations earlier this week—is accusing the Socialists of playing "war games." The command says it saw no need for special security measures on Wednesday night.

The Socialists, however, say their actions Wednesday night were backed by the commanders of all the military regions but Lisbon. A spokesman for the northern region verified that the military had information that a coup was planned by leftist groups with some military support and that the Socialist alert had spoiled it.

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LEBANON

The situation in Beirut improved yesterday after a night of clashes and sniper fire between Christian and Muslim militiamen in the southern suburbs. Lebanese security forces took over positions of the Christian Phalanges Party in those areas and were attempting to work out a similar agreement with Muslim and leftist elements.



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The future of the national reconciliation committee continues to be in doubt. Saeb Salam, a middle-of-the-road Muslim leader, has joined Raymond Edde, a Christian centrist, in announcing that he is reconsidering his membership in the group. Both men have, however, been attending committee meetings. Their move is apparently part of an effort to force the resignation of President Franjiah—a step both have called for publicly. Salam indicated the move was not aimed at either Prime Minister Karami or Interior Minister Shamun.

Edde and Salam are members, along with Karami, of a centrist alliance of Lebanese parliamentary deputies. Edde, as a Christian Maronite, considers himself a candidate to succeed Franjiah should the latter resign before his term expires next August. Because of Franjiah's close identification with the hard-line Phalangist position, Lebanese centrists, both Christians and Muslims, may see his resignation as a necessary step in the achievement of a compromise whereby the Christians would cede some political and economic power to the Muslims.

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Without fanfare, Prime Minister Karami has given the army a larger role in preventing further flare-ups. He is moving cautiously, however, to avoid the political controversy that abrupt military intervention would excite. Lebanese Muslims believe that the army, whose senior officers are mostly Christian, would inevitably side with the Phalangists if it became directly involved in any further fighting. The army's new mission is restricted to protection of main lines of communication and relief of civilian security forces stationed in outlying areas to free them for service in enforcing the cease-fire in Beirut and Tripoli.

EC-PORTUGAL

EC officials have agreed to give Portugal financial aid, and the foreign ministers of the Nine plan to approve a specific program on Monday.

The ministers have invited Portuguese Foreign Minister Antunes to Luxembourg on Tuesday to discuss an initial aid package, expected to total about \$200 million in loans over a two-year period, from the European Investment Bank. The loans will be tied to specific project proposals; the necessary preparatory work will delay the transfer of funds for at least four to six months.

Lisbon had also asked for direct assistance to cover its balance-of-payments problem. The EC will probably insist that such funds should come from the International Monetary Fund or from commercial banks. It is unlikely that these institutions would agree to loan commitments, however, until Lisbon puts its economic house in order.

EC officials hope their decision, which demonstrates strong Community support for the new government, will encourage additional private investment in Portugal.

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EC recognition of Lisbon's moves toward "pluralist democracy" should also open the door to West German and Dutch bilateral assistance programs. These national programs will probably be coordinated through the EC, which also plans to continue low-key contact with the US on aid to Portugal.

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USSR-PORTUGAL

The Soviets are playing up the visit to Moscow of Portuguese President Costa Gomes in an effort to emphasize Moscow's desire for friendly relations with Lisbon, despite the recent setbacks the Portuguese Communists have suffered.

Costa Gomes was greeted by President Podgorny, Foreign Minister Gromyko, and Defense Minister Grechko. Reference to the visit in the Soviet press as being at the "summit level" suggests Costa Gomes will see General Secretary Brezhnev. In a speech at a dinner for Costa Gomes on Wednesday, Podgorny reiterated Soviet sympathy for the Portuguese revolution and spoke out against outside interference in Portuguese affairs.

Preceding the visit, the Soviet media emphasized economic relations between the two countries. This may be an indication Moscow will make some additional effort to help Portugal economically, although the Soviets have been notably reluctant to propose substantial aid to Lisbon. In his speech, Podgorny spoke only in vague terms of the Soviet intention to broaden bilateral cooperation.

The Soviets will probably press Costa Gomes to sign, as he did in Poland, a joint declaration that incorporates the basic principles of the document signed at Helsinki, pledges both sides to periodic political consultations, and commits them "to deepen and strengthen detente in Europe." Costa Gomes also signed a communique in Warsaw supporting the Soviet approach to such issues as the Vienna force reduction negotiations and a world disarmament conference. The Warsaw communique referred to the importance of the US-USSR strategic arms limitations talks and expressed hope for an early follow-on agreement.

Soviet optimism about the visit has probably been enhanced by the absence of Portuguese Foreign Minister Melo Antunes, who led the recent drive to reduce Communist influence in Portugal. He was scheduled to accompany Costa Gomes but canceled out because of the turmoil in Portugal.

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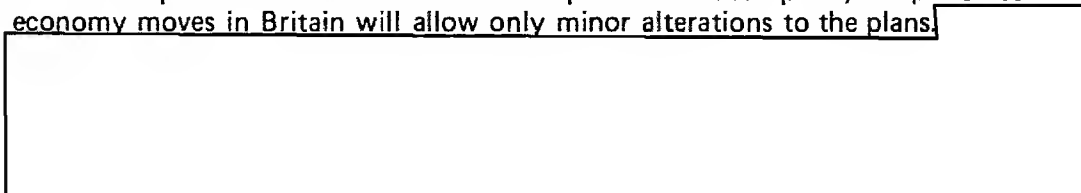
London has presented to NATO's Defense Planning Committee the details of the British army reorganization, which was directed by the defense review earlier this year.

The reorganization will reduce active army strength by 15,000, but will not cut manpower in the 55,000-man British Army of the Rhine. The cuts will come in non-European overseas commitments, and in headquarters, support forces, and reinforcement units in the UK.

The major feature of the reorganization for British forces in Germany is the complete remodeling of the division structure. The UK claims that this, combined with other measures aimed at streamlining support units, will increase flexibility while reducing headquarters and support overhead.

The Planning Committee raised questions about the compatibility of the new division organization with those of the other allies and the possibility of the loss of support capability. UK representatives assured the Committee that adequate liaison would be provided to ensure proper coordination with the allies and that the streamlining of support would entail no reduction of war reserve stocks or capabilities.

A sharp debate in NATO could develop over the UK's plans, but pressures for economy moves in Britain will allow only minor alterations to the plans.



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RHODESIA

The congress of the umbrella African National Council that convened in Salisbury last weekend widened the breach among Rhodesia's rival black nationalist leaders. Unless they are forced together again by the four African presidents who pressed them to merge into the council last year, the schism spells the end of a unified nationalist approach to dealing with the government of Prime Minister Ian Smith.

The congress elected Joshua Nkomo, the moderate leader of one of the two main nationalist factions, as head of the council in place of Bishop Muzorewa, the compromise president since the body was formed last December. Other council leaders immediately condemned the congress as illegal and scheduled a rival congress for October 19.

Nkomo's orderly election by several thousand delegates lends some support to his claim to control of a majority of the council's branches inside Rhodesia. Nkomo is bitterly opposed, however, both by Muzorewa's supporters—who have called the rival congress—and by Ndabaningi Sithole, the militant exile leader of an important rival faction. Sithole's group, which was largely responsible for the insurgency that began in Rhodesia in late 1972, came into the council only grudgingly and has long wanted to abandon further efforts toward settlement talks with Smith and return to all-out guerrilla warfare.

Nkomo's election by the congress poses new problems for the four presidents—Kaunda of Zambia, Nyerere of Tanzania, Machel of Mozambique, and Khama of Botswana. Unifying the Rhodesian nationalists for talks with Smith has been fundamental to their cooperative effort to bring about, in collaboration with South African Prime Minister Vorster, a peaceful solution to the Rhodesian problem.

There have been indications that Kaunda, who does not want new fighting in Rhodesia because it would intensify his country's economic problems, and perhaps Khama, might accept Nkomo. It is doubtful, however, that Nyerere and Machel, who have had closer ties with Sithole's faction, would go along.

At this point, the four presidents probably have no firm ideas about how to proceed. They may await the results of the rival congress before committing themselves to new—and probably differing—courses of action.

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USSR-CHINA

Moscow's treatment of Chinese National Day has followed the pattern of recent years.

The Soviet government, but not the party, sent standard felicitations to the Chinese, and the same Soviet officials who attended last year turned up at the Chinese reception in Moscow. *Pravda* and *Izvestia* carried commentaries strongly criticizing the Chinese and Mao, but also expressed the usual sentiments that one day relations between the two countries will get better.

The National Day coverage fails to convey any new sense of direction in Moscow's polemical campaign against China that began in a long article in the mid-August issue of the party's theoretical journal *Kommunist*. The article is essentially a rehash of this year's Soviet criticism of Maoist domestic and foreign policies.

Subsequent Soviet commentary on the "Water Margin" issue has betrayed Moscow's interest in what it regards as evidence of politicking and, perhaps, even pro-Soviet sentiment in China. The head of the China office in the Institute of Oriental Studies recently went so far as to publicly, and explicitly, assert that there seems to be pro-Soviet forces in China who are arguing for a change in Chinese foreign policy

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